IN THE HIGH COURT OF JUDICATURE

ANDHRA PRADESH
AT HYDERABAD

THE HON'BLE MR JUSTICE J.CHELAMESWAR

and
THE HON'BLE MR JUSTICE RAMESH RANGANATHAN

WRIT PETITION NO :27985 of 2005

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Dated: 13th February 2006.

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Between:

A.Hari Singh

..... PETITIONER

AND

The Principal Secretary to Government, Revenue (Vig.II) Department and others

.....RESPONDENTS

THE HON'BLE SRI JUSTICE J.CHELAMESWAR

AND

THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN

W.P.NO.27985 OF 2005

ORAL ORDER:

(Per the Hon'ble Sri Justice Ramesh Ranganathan)

Heard the learned counsel for the petitioner and the Government Pleader for Services-II for the respondents. Both the learned counsel agreed that the writ petition could be disposed of at the stage of admission.

Aggrieved by the order of the Andhra Pradesh Administrative Tribunal in O.A.No.2351 of 2004, dated 29th July 2005, to the extent the petitioner was directed to be paid unspecified interest at the bank rate for belated payment of his retiral benefits, the present writ petition is filed.

Sri P. Krishna Reddy, the learned counsel for the petitioner, would refer to several judgments of the Supreme Court and of this Court in support of his submission that in the absence of a stipulated rate of interest being specified in the order, the petitioner would be entitled to interest at least at 12 % per annum.

It is well settled that an employee is entitled to receive his terminal benefits soon after his retirement and any delay on the part of the authorities concerned in releasing the said benefits would entitle him to seek payment of interest for such belated payment. In fact, the Tribunal has also awarded interest at the bank rate for belated payment of the petitioner's retiral benefits. The question is as to what would be the rate of bank interest that the petitioner is entitled to.

The judgments referred by the learned counsel for the petitioner are all orders passed during the period when the bank interest, on fixed deposits, was around 12 % per annum. It is common knowledge that there has been a drastic reduction in the rate of interest on fixed deposits in the last decade and as at present, the maximum rate of interest awarded on fixed deposits is around 8 % per annum for amounts kept as fixed deposits for periods in excess of three years. Considering the same, we deem it appropriate to modify

the order of the Tribunal and direct that the petitioner shall be paid interest at 8 % per annum for the belated payment of his retiral benefits, till the date of actual payment of the said amount.

This interest, to which the petitioner is entitled to, shall be paid to him within a period of three months from the date of receipt of a copy of this order.

Subject to the above modification of the impugned order, the writ petition is disposed of. No costs.

J.Chelameswar, J

Ramesh Ranganathan, J

mrk

13th February 2006.